

# **LIQUID FUNDING, LTD.**

## **BOARD OF DIRECTORS**

### **UNANIMOUS WRITTEN RESOLUTIONS**

The undersigned, being all the Directors of **Liquid Funding, Ltd.**, a company incorporated in the Islands of Bermuda (the "Company"), pursuant to Bye-law 97 of the Company's Bye-laws, **HEREBY ADOPT** the following resolutions set out below in lieu of convening a formal meeting for the purposes of transacting such business as might properly come before such a meeting.

Any action taken herein shall be of the same force and effect as if adopted at a duly convened meeting of the Board of Directors of the Company.

#### **RECITALS**

WHEREAS, the Board of Directors of the Company wishes to authorize the entry by the Company into the transactions described below, to approve all related transactions, and to authorize Bear Stearns Bank p.l.c., as Investment Manager (the "Investment Manager") under that certain Investment Management Agreement, dated as of November 9, 2001, by and among the Company and the Investment Manager, to execute and deliver any and all documents used or required in connection therewith; and

WHEREAS, the Board of Directors of the Company wishes to ratify, confirm and approve in all respects certain transactions and documents entered into by the Company;

NOW, THEREFORE, it is

**RESOLVED**, that Exhibit 6 entitled "Capital Model" and Exhibit 8 entitled "Maximum Advance Rates", to the Company's Operating Guidelines (Moody's), be and are hereby amended, such amendments having been reviewed and approved by Moody's, to specify the parameters for the use of HELX, CBOS and CLOS as eligible primary asset classes for the Company. A black-lined copy of those provisions of Exhibits 6 and 8 to the Operating Guidelines which have been amended (collectively, the "Amendments"), are annexed hereto and form a part of these resolutions; and be it further

**RESOLVED**, that the Amendments, agreements arising in connection therewith, and the transactions proposed herein to be adopted by the Company, as submitted to the Board of Directors, be and are hereby in all respects approved, and that any director of the Company be and each of them hereby is authorized and directed to execute and to deliver, on behalf and in the name of the Company, a signed copy of these resolutions, such director's execution thereof to be conclusive evidence of such approval; and be it further

**RESOLVED**, that subject to compliance with the Operating Guidelines as amended from time to time, the Company may enter into all agreements, instruments or other